ANNEXURE.

No. 1223—E.S.

OFFICE OF THE COMPTROLLER TO THE GOVERNMENT OF HIS HIGHNESS THE MAHARAJA OF MYSORE.

Bangalore, dated 9—15th March 1940.

FROM

M. VIRARAJA URS, ESQ., B.A., B.L.,
Comptroller to the Government of His Highness the Maharaja of Mysore, Bangalore.

To

A. N. RAGHAVACHAR, ESQ., M.A.,
Financial Secretary to the Government of Mysore, Bangalore.

SIR,

With reference to correspondence resting with your letter No. Fl. 1036—G. F. 133-35-7, dated 22nd August 1939, in regard to the formation of three Local Audit Circles at Bangalore, Mysore and Shimoga, I have the honour to state that the question has been very carefully examined by me in consultation with the Deputy Comptroller and the Assistant Comptrollers in charge of Industrial Audit Department, Local Audit Department and Local Inspections and to submit the following detailed proposals for consideration of Government.

2. *Need for Constitution of Local Audit Circles.*—I agree that it is desirable that all possible steps should be taken to improve the efficiency of all Local and Outside Audit so as to secure a continuous and thorough examination of the initial accounts in the departmental offices as expeditiously as possible. To secure this objective, the present system of grouping of Local and Outside Audit work which is on the basis of several kinds of audit conducted may, as directed, be replaced by a system of division of work by Districts formed into circles on a geographical basis. All work relating to Local Audit, Industrial Audit and Inspection of Public Works and Forest Divisions and Treasuries, which is at present being attended to by different agencies, each having jurisiciction throughout the State may be brought under one common organisation so that all the items of work in a specified local area may be attended to by the staff allocated to that area. For this purpose, three Local Audit circles may be constituted at Bangalore, Mysore and Shimoga as suggested by Government.

3. *Grouping of Districts into three Audit Circles.*—There are at present nine Districts; but it is not desirable to allocate three Districts to each Circle merely on a geographical basis. Other factors have to be taken into account such as the number of major and minor institutions in each area and the relative importance and volume of transactions of the institutions coming under each group. Accordingly the following grouping appears suitable and may be adopted for the present. Each Circle will have approximately equal amount of work and the number of major and minor institutions coming under each group is also noted against each :—

Circle	Districts	No. of Institutions		Total for each Circle	
		Major	Minor	Major	Minor
Bangalore ...	(i) Bangalore ...	56	13	80	16
	(ii) Kolar ...	24	3		
Mysore ...	(i) Mysore ...	34	18	70	30
	(ii) Mandya ...	17	7		
	(iii) Hassan ...	19	5		
Shimoga ...	(i) Shimoga ...	26	8	82	17
	(ii) Kadur ...	18	3		
	(iii) Chitaldrug ...	20	3		
	(iv) Tumkur ...	18	3		

If after some experience, any modification becomes necessary it may be considered later on.

4. *Control of Circles.*—Each Audit Circle may be placed in charge of an Assistant Comptroller and all review of audit work in respect of all kinds of institutions in his Circle as also review of Inspection of Public Works and Forest Division and Treasuries in his Circle will be attended to by him. By having a smaller area to deal with, he can conduct inspections and review the audit work of his staff more efficiently. The annual programme of inspections can be completed without leaving any institutions in arrears.

5. The Deputy Comptroller may be entrusted with general supervision of and control over Local Audit work to secure uniform and efficient audit, he being relieved of a portion of his routine charge now entrusted to him.

6. *Extent and Scope of Deputy Comptroller's Supervision and Control.*—At present all the Audit Reports relating to the Local Audit Department, Industrial Audit Department and Public Works Inspections are issued by the Assistant Comptrollers concerned; and it is quite understandable that they should take the responsibility for these reports which are based on personal inspections conducted by them. But it would perhaps be too much to expect of the Deputy Comptroller to issue these reports without his satisfying himself about the accuracy of the facts brought to light in the reports. So far as the Industrial Audit Department institutions are concerned, the conditions and rules applicable to different industrial concerns are not the same in any two cases and consequently the supervision to be exercised by a higher officer over the work of an Assistant Comptroller appears to be very limited in scope being confined practically to correcting and editing the language of the reports. The Local Audit and Inspection Reports of Local Bodies, Municipalities and Government Offices are more or less of a routine nature except in rare cases in which special audits are undertaken and serious irregularities are brought to notice. Besides, the delay involved in the transmission of reports from the Assistant Comptrollers of the respective Circles to the Deputy Comptroller and retransmission from the Deputy Comptroller after review by him to the Assistant Comptrollers is bound to be considerable. Already there is very frequent delay in the issue of Inspection Reports, etc., and with this additional reviewing agency of the Deputy Comptroller, I am afraid there will be even more delay than at present. It appears to me, therefore, that it may not be necessary to entrust the Deputy Comptroller with the whole time duty of reviewing and supervising the Inspection Reports of the Audit Circles. Serious irregularities, if any, brought to light in inspection reports and other general questions involving principles of accounting and audit may however be submitted to the Deputy Comptroller by the respective Assistant Comptrollers for his remarks and orders. He may also be entrusted with the duty of watching and expediting the progress of audit in the various Circles and keep the work current as far as possible.

7. *Gazetted Staff.*—At present, only two officers—Assistant Comptroller, Local Audit, and Assistant Comptroller, Public Works Inspection, are exclusively on Inspection Work. The third Assistant Comptroller who is, at present, reviewing the Local Audit of Industrial Concerns is also in Gazetted charge of some Sections in the Central Office. If he is to be made available exclusively for one Local Audit Circle, he will have to be relieved of the charge of his Sections in the Central Office. Besides, the Deputy Comptroller will have also to be relieved of his routine charge to some extent to enable him to undertake general supervision work over Local Audit work. This involves additional work to the rest of the Gazetted Staff. As it is, the Gazetted charges are already very heavy and are not susceptible of further work being added on. Therefore, an additional Gazetted Officer is very necessary and there has been consensus of opinion on the issue among the Gazetted Officers of this Department. Therefore an additional Assistant Comptroller in grade Rs. 250—20—350 may be sanctioned for this purpose.

8. *Non-Gazetted Staff and Allocation to three Circles.*—The following is the strength of Non-Gazetted Staff sanctioned for several kinds of Local Audit and inspections :—

Sl. No.	Departments	Superintendents		Accountants	Accounts Clerks
		First grade	Second grade		
1	Local Audit	1	1	15	11
2	Inspection of Public Works Divisions and Treasuries and Forest Divisions.	...	...	1	...
3	Industrial Audit—				
	Mysore Group	1	...	3	...
	Bhadravati	...	1	1	...
	Bangalore	1	1	1	1
	Total ...	3	3	21	12

9. Allocating the above staff on the general lines of the work for which they are sanctioned and on which they are now engaged the following will be the position :—

Name of Circle	Number of Institutions		Superintendents		Accountants	Accounts Clerks	Total
	Major	Minor	First Grade	Second Grade			
BANGALORE ...	80	16	...	...	...	...	...
Bangalore City Municipal Audit ...	...	...	...	...	1	2	...
Outside Audit ...	...	...	...	...	...	...	...
Civil (3) and Military (2) ...	...	...	...	...	5	...	...
Record of Rights ...	...	...	...	...	1	1	...
Industrial Audit ...	...	...	1	1	1	1	...
Local Bodies ...	...	...	...	...	1	1	16
MYSORE ...	70	30	...	...	...	...	...
Mysore City Municipal Audit ...	...	...	...	...	1	1	...
Mysore University Audit ...	...	...	...	1	...	...	...
Outside Audit ...	...	...	...	...	1	...	...
Local Bodies, etc. ...	...	...	...	...	2	2	...
Industrial Audit ...	...	...	1	...	3	...	12
SHIMOGA ...	82	17	...	...	...		
Industrial Audit ...	...	...	...	1	1	...	...
Local Bodies, etc. ...	...	...	...	...	2	2	6
Total ...	...	...	2	3	19	10	34
Central Office ...	...	...	...	...	1	1	...
Inspection Assistants to Assistant Comptrollers ...	...	...	...	...	1	1	5
Local Audit Department and Public Works Inspection and to Deputy Comptroller ...	...	...	1*	...	...	...	...
Total ...	...	...	3	3	21	12	39

* *Vide* para 10 (iv) below.

10. After the constitution of the local audit circles, the staff allocated to each circle will have to take up local audit of the accounts of all Government institutions, local bodies and industrial concerns as also inspection of Treasuries and Public Works and Forest Divisions in their respective groups. The staff detailed

below will not be able to take up any additional work beyond what has been allotted to them under the present groupings. The auditors sanctioned for the concurrent audit of the accounts of the Bangalore and Mysore City Municipalities, for example, will not be able to attend to any other items of work. Similarly, the Record of Rights Local Audit staff who have to take up the local audit of the accounts of Record of Rights in taluks according to programmes to be proposed by the Revenue Commissioner will not be able to take up any other work. The Mysore University Auditor will be in a similar case. The staff sanctioned for the local audit of the Industrial Concerns in the three groups, Mysore, Bangalore and Shimoga are already very heavily worked and in spite of continuous overwork and strenuous efforts on their part, it has not been possible for them to keep their local audit work current and proposals for augmenting its strength are already before Government. (*Vide* No. 1276—I.A.D., dated 30th June 1939 and 377—I.A.D., dated 26th September 1939.) Owing partly to the general expansion of the activities of Government Departments and local bodies and to the increase in the number of institutions subject to local audit, the Local Audit Staff has also been found to be very inadequate to cope with the increased work. In regard to Public Works, etc., inspections, one Accountant has been found insufficient and assistance is being asked by the Assistant Comptroller, Public Works Inspections, for sometime past. For the foregoing reasons, it may not be possible for the staff allocated to each group to cope with all work that would devolve on them by the constitution of Local Audit Circles. Therefore, the following additional staff is very necessary :—

(*i*) *For Mysore Circle* :— To cope with all round general increase of work and the additional work that would devolve on the staff by the constitution of Local Audit Circles ...	One Accountant—(Rs. 60—10/2—100)
(*ii*) *For Shimoga Group* :— (*a*) Owing to the expansion of the activities of the Industrial Concerns in the Bhadravati Group an additional Accountant is necessary; in fact, help from lumpsum grant has been given continuously for over eight months past and an additional hand is absolutely necessary for the Industrial audit work itself. Proposals for this additional hand have already been made to Government in letter No. 1276—I.A.D., dated 30th June 1939	One Accountant—(Rs. 60—10/2—100)
(*b*) To cope with the general increase of work regarding audit of Government Departments and Local Bodies owing to constitution of Local Audit Circles	One Accountant—(Rs. 60—10/2—100)
(*iii*) Government have directed that two First Grade Superintendents may be set apart out of the existing staff to assist the Deputy Comptroller in his supervision work. As the volume of transactions and the financial interests involved in the Bangalore and Mysore Industrial Concerns are comparatively very large, it would not be desirable to withdraw any First Grade Superintendent from the charge of local audit of major industrial concerns in Mysore and Bangalore. The requirements of the Deputy Comptroller would perhaps be met if a First Grade Superintendent and an Accountant are made available to assist him for review of inspection reports and supervision work. For this purpose, one First Grade Superintendent sanctioned for local audit work can be made available to him from the present sanctioned strength and the addition of an Accountant only is necessary	One Accountant—(Rs. 60—10/2—100),
(*iv*) Owing to all round expansion of the activities of Government Departments, Local Bodies and Industrial Concerns and the increase in the number of institutions subject to local audit, the work of typing Inspection and Audit Reports has also increased to a considerable extent. In spite of the best efforts of the Typing Section, it has not been possible to get through the typing work in time. Therefore, the strength of the Typing Section needs to be augmented by at least two hands. Two Accounts Clerks may be sanctioned for this purpose together with two new typewriters for their use. These will be attached to the Assistant Comptrollers of Mysore and Shimoga Circles; they will not only do all the typing work relating to their respective groups but will also do the duties of receiving and despatching tappal and other miscellaneous work relating to their circles	Two Accounts Clerks—(Rs. 30—5/2—60) each.
(*v*) For the additional Gazetted Officer asked for, two menials—one home orderly and one office orderly—are necessary	Two Menials—(Rs. 10—1/2—14) each.

11. The Assistant Comptroller, Public Works Inspection, has, at present, an Accountant as his Inspection Assistant and the Assistant Comptroller, Local Audit Department, has an Accounts Clerk as his Inspection Assistant. The third Assistant Comptroller who is proposed to be entrusted with charge of the third circle also needs an Accounts Clerk as his Assistant but to keep down extra cost, the Assistant required for him is proposed to be made available to him out of the staff of Bangalore Circle.

12. Thus the total additional staff (non-gazetted) required is four Accountants, two Typist-Miscellaneous-Accounts-Clerks and two Menials. This is the minimum non-gazetted staff that is required to give effect to the directions of Government and may be kindly sanctioned. Purchase of two new typewriters at a total cost of Rs. 800 may also be kindly sanctioned.

13. *Duty Allowance to Staff of Local Audit Circles.*—The non-gazetted staff stationed at Mysore are, at present, allowed 20 per cent allowance subject to a maximum of Rs. 30. Other Local Auditors are getting only ordinary travelling allowance and daily allowance. The Bangalore Local Auditors are getting conveyance allowance at Rs. 5; conveyance allowance of Rs. 10 is allowed while they work in Hebbal area. On the last occasion, when the constitution of a local audit circle at Shimoga was proposed as an experimental measure, 20 per cent duty allowance without any limitation was proposed to the circle staff in U. O. No. 453, Es., dated 8th October 1936, for tours outside their respective headquarters travelling allowance less 20 per cent duty allowance was recommended. Extension of this concession to the second Moffusil Group also will involve considerable extra cost. Besides, with the formation of three local audit circles, their respective headquarters will have been partly fixed at Bangalore, Mysore and Shimoga. The staff will also be working under the immediate supervision and control of their respective gazetted officers and the need for a duty allowance ceases automatically. The staff of this department working in divisions whose duties are in no way less responsible or less onerous are not getting any duty allowance. The discontinuance of the duty allowance at present allowed to the Mysore Local Audit Staff which will only remove the present anomaly and which will accord uniform treatment to all outside staff is recommended. However, to obviate hardship to the present Mysore Industrial and Local Audit Staff who are getting 20 per cent duty allowance, it may be stipulated that the present incumbents who are in receipt of duty allowance may continue to draw it till they are changed therefrom but for tours outside Mysore, they may be allowed ordinary duty allowance and travelling allowance less 20 per cent duty allowance as previously recommended.

14. Conveyance allowance allowed to the Bangalore Auditors may be continued as the institutions to be audited are in distant parts of the city. The concession of granting conveyance allowance may be extended to the auditor who goes for Sri Krishnarajendra Mills audit in Mysore and if found necessary, the number of conveyance allowances sanctioned to the Mysore staff may be increased later on.

TRAVELLING ALLOWANCE.

15. The staff of the three local audit circles may be allowed the usual travelling allowance for their tours outside their respective headquarters.

16. I request approval of Government to the above proposals very early.

17. To sum up, one gazetted officer in grade (Rs. 250—20—350), four Accountants in grade (Rs. 60—10/2—100), two Accounts Clerks in grade (Rs. 30—5/2—60) and two menials in grade (Rs. 10—1/2—14) are required. Two typewriters for use of Circle Offices are also needed. The above proposals will involve an average recurring extra cost of Rs. 797 per mensem and a non-recurring expenditure of Rs. 800; necessary provision for both the recurring and non-recurring expenditure may be kindly allowed in next year's budget.

I have the honour to be,
Sir,
Your most obedient servant,
M. VIRARAJA URS,
Comptroller.

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